

Senate File 441

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1 3 AN ACT
1 4 RELATING TO THE TRANSFER OF CERTAIN PROPERTY-RELATED TAX
1 5 CREDITS AND INCLUDING EFFECTIVE AND RETROACTIVE APPLICABILITY
1 6 DATE PROVISIONS.

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1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 10 Section 1. Section 15E.193B, subsection 8, Code 2003, is
1 11 amended to read as follows:

1 12 8. The amount of the tax credits determined pursuant to
1 13 subsection 6, paragraph "a", for each project shall be
1 14 approved by the department of economic development. The
1 15 department shall utilize the financial information required to
1 16 be provided under subsection 5, paragraph "e", to determine
1 17 the tax credits allowed for each project. In determining the
1 18 amount of tax credits to be allowed for a project, the
1 19 department shall not include the portion of the project cost
1 20 financed through federal, state, and local government tax
1 21 credits, grants, and forgivable loans. Upon approving the
1 22 amount of the tax credit, the department of economic

1 23 development shall issue a tax credit certificate to the
1 24 eligible housing business. An eligible housing business or
1 25 transferee shall not claim the tax credit unless a tax credit
1 26 certificate issued by the department of economic development
1 27 is attached to the taxpayer's return for the tax year for
1 28 which the tax credit is claimed. The tax credit certificate
1 29 shall contain the taxpayer's name, address, tax identification
1 30 number, the amount of the tax credit, and other information
1 31 required by the department of revenue and finance. The tax
1 32 credit certificate shall be transferable if low-income housing
1 33 tax credits authorized under section 42 of the Internal
1 34 Revenue Code are used to assist in the financing of the
1 35 housing development. Tax credit certificates issued under

2 1 this chapter may be transferred to any person or entity.
2 2 Within ninety days of transfer, the transferee must submit the
2 3 transferred tax credit certificate to the department of
2 4 economic development along with a statement containing the
2 5 transferee's name, tax identification number, and address, and
2 6 the denomination that each replacement tax credit certificate
2 7 is to carry and any other information required by the
2 8 department of revenue and finance. Within thirty days of
2 9 receiving the transferred tax credit certificate and the
2 10 transferee's statement, the department of economic development
2 11 shall issue one or more replacement tax credit certificates to
2 12 the transferee. Each replacement certificate must contain the
2 13 information required to receive the original certificate and
2 14 must have the same expiration date that appeared in the
2 15 transferred tax credit certificate. Tax credit certificate
2 16 amounts of less than the minimum amount established by rule of
2 17 the department of economic development shall not be
2 18 transferable. A tax credit shall not be claimed by a
2 19 transferee under subsection 6, paragraph "a", until a
2 20 replacement tax credit certificate identifying the transferee
2 21 as the proper holder has been issued.

2 22 The transferee may use the amount of the tax credit
2 23 transferred against the taxes imposed under chapter 422,
2 24 divisions II, III, and V, and chapter 432 for any tax year the
2 25 original transferor could have claimed the tax credit. Any
2 26 consideration received for the transfer of the tax credit
2 27 shall not be included as income under chapter 422, divisions
2 28 II, III, and V. Any consideration paid for the transfer of
2 29 the tax credit shall not be deducted from income under chapter
2 30 422, divisions II, III, and V.

2 31 Sec. 2. Section 404A.4, subsection 2, Code 2003, is
2 32 amended to read as follows:

2 33 2. After verifying the eligibility for the tax credit, the
2 34 state historic preservation office, in consultation with the
2 35 department of economic development, shall issue a property
3 1 rehabilitation tax credit certificate to be attached to the
3 2 person's tax return. The tax credit certificate shall contain
3 3 the taxpayer's name, address, tax identification number, the
3 4 date of project completion, the amount of credit, ~~and~~ other
3 5 information required by the department of revenue and finance.

3 6 and a place for the name and tax identification number of a
3 7 transferee and the amount of the tax credit being transferred.

3 8 Sec. 3. Section 404A.4, Code 2003, is amended by adding
3 9 the following subsection:
3 10 NEW SUBSECTION. 5. Tax credit certificates issued under
3 11 this chapter may be transferred to any person or entity.
3 12 Within ninety days of transfer, the transferee must submit the
3 13 transferred tax credit certificate to the state historic
3 14 preservation office along with a statement containing the
3 15 transferee's name, tax identification number, and address, and
3 16 the denomination that each replacement tax credit certificate
3 17 is to carry and any other information required by the
3 18 department of revenue and finance. Within thirty days of
3 19 receiving the transferred tax credit certificate and the
3 20 transferee's statement, the office shall issue one or more
3 21 replacement tax credit certificates to the transferee. Each
3 22 replacement certificate must contain the information required
3 23 under subsection 2 and must have the same expiration date that
3 24 appeared in the transferred tax credit certificate. Tax
3 25 credit certificate amounts of less than the minimum amount
3 26 established by rule of the office shall not be transferable.
3 27 A tax credit shall not be claimed by a transferee under this
3 28 chapter until a replacement tax credit certificate identifying
3 29 the transferee as the proper holder has been issued.

3 30 The transferee may use the amount of the tax credit
3 31 transferred against the taxes imposed under chapter 422,
3 32 divisions II, III, and V, and chapter 432 for any tax year the
3 33 original transferor could have claimed the tax credit. Any
3 34 consideration received for the transfer of the tax credit
3 35 shall not be included as income under chapter 422, divisions
4 1 II, III, and V. Any consideration paid for the transfer of
4 2 the tax credit shall not be deducted from income under chapter
4 3 422, divisions II, III, and V.

4 4 Sec. 4. EFFECTIVE AND APPLICABILITY DATE. This Act, being
4 5 deemed of immediate importance, takes effect upon enactment
4 6 and applies retroactively to January 1, 2003, for tax years
4 7 beginning on or after that date.

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MARY E. KRAMER
President of the Senate

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CHRISTOPHER C. RANTS
Speaker of the House

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4 19 I hereby certify that this bill originated in the Senate and
4 20 is known as Senate File 441, Eightieth General Assembly.

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MICHAEL E. MARSHALL
Secretary of the Senate

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4 26 Approved _____, 2003

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THOMAS J. VILSACK
Governor